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#### POLITICAL MOVES

[1](#)3. (SBU) Abe Reshuffles Cabinet

Prime Minister Abe reshuffled his cabinet August 27, bringing in veteran lawmakers and party heavyweights. The reshuffle immediately improved Abe's support rate, though that rate continues to trail in the non-support rate in most polls. Business leaders and commentators have praised the new cabinet's stability and expertise while lamenting that it promises few new directions or bold policy proposals.

Key appointees include Chief Cabinet Secretary Kaoru Yosano, Foreign Minister Nobutaka Machimura, Finance Minister Fukushima Nukaga, Minister of Health, Labor, and Welfare Yoichi Masuzoe, Agriculture Minister Takehiko Endo, and Minister of Internal Affairs and Communications Hiroya Masuda. Minister of Economy, Trade, and Industry Amari, Transportation Minister Fuyushiba, and Economic and Fiscal Policy Minister Ota retained their portfolios.

Further reporting can be found in Tokyo 3968 (overall assessment), 3970 (biographies), 4013 (business reaction), and 4044 (polling bounce). (ECON: Marc Dillard)

#### 14. (SBU) New Appointees and Postal Privatization

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Subsequent to Prime Minister Abe's August 27 cabinet reshuffle, four former "postal rebels," who opposed former Prime Minister Koizumi's 2005 postal privatization bills, were appointed as senior vice ministers. Some press reports have speculated that the Abe cabinet's reform credibility will be set back by these appointments.

Responding in the press, Chief Cabinet Secretary Yosano said "(the problems associated with) postal privatization seem to be something that happened a long time ago. Postal privatization is

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fully embedded as a prescribed course, and should not affect personnel appointments."

We note that former Iwate governor and Postal Services Privatization Committee member Hiroya Masuda was appointed Minister of Internal Affairs and Communications, where he will wield direct influence on the privatization process. Masuda's appointment has been taken as a positive sign in the business community, and we will be watching what, if any, conflict arises between Masuda and the "postal rebels."

The four "postal rebels" are: Hiroshi Moriyama, Senior Vice-Minister (SVM) for Finance; Masahiro Imamura, SVM for Agriculture, Forestry and Fisheries; Yoshio Nakagawa, SVM for the Cabinet Office; and Hiromi Iwanaga, SVM for Agriculture, Forestry and Fisheries. (ECON: Ai Kaneko/Marc Dillard)

#### 15. (SBU) ACCJ T&L Committee Meets with CPRR on Aviation Policy

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The ACCJ's Transportation and Logistics (T&L) Committee testified before the Council for the Promotion for Regulatory Reform (CPRR) on aviation matters in early August.

U.S. airlines expressed their concerns about Haneda internationalization. They found the committee members to be focused on passenger carriers and unaware of the issues surrounding cargo carrier operations.

The ACCJ reports it was worrisome that the CPRR remained fixed on pursuing a slot auction idea as a way to allocate slots at Japanese airports. That the foreign airlines were allowed to testify was a small victory for transparency as they were not given the opportunity to do so in front of several Kantei and MLIT aviation policy panels examining aviation reform this spring.

The ACCJ plans to continue its efforts to educate the academic and private sector specialists on the CPRR and that populate other government policy committees. (ECON: Josh Handler)

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16. (SBU) Minimum Wage Non-Compliance 6.4 Percent

Over six percent of businesses nationwide violate minimum wage laws, according to an investigation conducted by the Ministry of Health, Labor and Welfare (MHLW), the results of which were released on August 22.

Violations were particularly high in the following industries: clothes and fabric goods, manufacturing, dry cleaners, food manufacturing, restaurants, barbers and hairdressers, and taxis.

Officials at MHLW's Labor Standards Bureau told us the number of investigations done this year has already doubled that of last year, and that the non-compliance rate has declined slightly (from 6.8 percent). MHLW officials told us they are determined to strengthen education efforts along with the investigations. The minimum wage remains a sensitive political topic and will likely be revisited during the fall Diet session. (ECON: Ai Kaneko/Marc Dillard)

17. (U) MHLW Survey: Japan's Income Disparities Widened to Record Level

Long-awaited survey results on Japan's household income disparities showed that initial, pre-redistribution household inequality widened to a record level in 2005, as measured by the Gini coefficient, due mainly to the aging population.

The Survey on the Redistribution of Income, conducted every three years by the Ministry of Health, Labor and Welfare (MHLW) and released on August 24, provides the Gini coefficient for both initial income of households, and their "redistributed income" which reflects household income levels after taking accounts of taxes and social security payments/receipts.

Although the pre-redistribution income inequality is widening,

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after inter-generational transfers and income redistribution the Gini coefficient remains unchanged from the 1990s. (FINATT: Shuya Sakurai)

18. (U) FDI: American Investment Firm to Finance Construction of Hokkaido's Largest Distribution Center

In early August, Chicago-based LaSalle Investment Management (LSIM) announced it will invest five billion yen (\$42 million) toward the construction of a multi-use distribution center in Hokkaido.

Slated to open in 2008 at an industrial park in the Sapporo suburb of Ebetsu, the facility will be Hokkaido's largest distribution center. With 300 employees, it will have the capacity to service local food, pharmaceutical and cosmetic companies as well as government offices in need of document storage.

The Hokkaido distribution center will be the fifth distribution center LSIM has financed in Japan. It also marks the second major investment in Hokkaido for LSIM following the American-style outlet mall "Rera" near the New Chitose Airport.

Due to cheaper land and lower labor costs, Hokkaido has lagged behind the rest of Japan in developing a consolidated logistical system for local companies. However, LSIM sees a business opportunity as locally operating companies are forced to decrease logistical costs in the peaked-out consumption goods market due to the ever-decreasing population. (Sapporo: Ian Hillman/Yumi Baba)

19. (SBU) Japan's First PFI Port Project under SZSR a Failure in Kitakyushu

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Hibiki Container Terminal (HCT), Kitakyushu City's 100 billion yen (\$860 million) project under the GOJ's Special Zones for Structural Reform (SZSR) initiative looks like it may have turned into another expensive public works white elephant.

Kitakyushu City recently announced that it would buy all terminal facilities owned by Singapore's PSA International-led consortium for four billion yen (\$34 million) in October 2007. The city plans to contract PSA to continue the maintenance work at the terminal for the remainder of this FY for 500 million yen (\$4.3 million).

Kitakyushu's hub port project was one of the original projects that inspired the GOJ's SZSR initiative and was the first Japanese port project to use PFI (private finance initiative) teamed up with a foreign port operator. However, the project has barely stayed afloat since its April 2005 inception.

While PSA will remain the leading shareholder in the consortium, post contacts said that the firm's representatives left Kitakyushu over a year ago and speculated that PSA would eventually end its involvement with the project. For detailed information on HCT, please see the attached. (Fukuoka: Yuko Nagatomo/Jim Crow)

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AGRICULTURE AND TRADE  
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10. (SBU) Japan's New WTO Tandem from Same Faction

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Japan's cabinet reshuffle does not figure to shake up its WTO team. Trade Minister Akira Amari remains in place while Japan's new Agriculture Minister, Takehiko Endo, is cut from the same policy mold as previous Agriculture Ministers.

Japan's current posture in the Doha Round, most observers agree, will likely remain familiar -- official professions of support for the round complemented by insistence that a deal on agriculture not be too ambitious.

According to press reports, PM Abe had enormous difficulty in identifying somebody to move over to the Agriculture Ministry (MAFF). MAFF's two previous ministers were undone by financial

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scandal, with Toshikatsu Matsuoka's tenure ending in suicide in late May.

Endo, 68, is a crusty veteran familiar with agriculture affairs, including a stint as MAFF's senior vice minister. He reportedly enjoys the support of the LDP agriculture caucus in the Diet. A senior official at the Trade Ministry (METI) involved in the Doha talks told us he was optimistic that Endo would do well in his new job. Endo comes from the same political faction in the LDP as Amari.

Junior to Amari in length of service in the Diet -- eight terms versus six -- Endo figures to work well with the Trade Minister. Separately, a MAFF official confirmed to us that Endo would not be traveling to the APEC Senior Leaders meetings in Australia. (ECON: Nicholas Hill)

11. (SBU) Stay the Course on Agriculture Reform?

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Will the new Agriculture Minister do an about face on necessary reforms in the farm sector after PM Abe and his government suffered a drubbing in last month's elections in the rural parts of Japan?

The ruling coalition's hold on single-seat constituencies in rural areas plunged from 29 to six in the Upper House. Takehiko Endo, the new Agriculture Minister, has been an outspoken voice for a long time underscoring the urgency of helping these depressed regions.

At his inaugural press conference, however, which began before midnight on August 27 and continued into the early morning, Endo said in essence that the government must stay the course on agriculture reform.

When asked about the opposition Democratic Party of Japan's criticism of the government's policy of focusing direct payments on bigger farms, Endo said existing policies were consistent with the need to restructure the farm sector.

The DPJ's proposals, he said, to give payments to all farmers effectively would derail structural reforms, stimulate production, go against WTO principles, and disadvantage Japan in the Doha talks.

Endo added that such broad subsidies would be an increased burden on Japanese taxpayers. There was a serious income divide, he said, between rural and urban areas, but revitalizing these areas would not only come out of policies to help farmers.

The complete transcript of Endo's press conference (in Japanese) appears on MAFF's website. (ECON: Nicholas Hill/Ryoko Nakano)

12. (U) Another Food Safety Scandal Rocks Hokkaido  
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In a mid-August news conference, Sapporo-based confectionary giant Ishiya Company publicly admitted to several food safety violations. Infractions included intentionally extending expiration dates for an additional 1-2 months on its popular Shiroyo Koibito (White Sweetheart) white chocolate cookies over a ten-year period and failing to disclose the recent discovery of dangerous bacteria in some of the company's cake and ice cream products.

The scandal received nationwide coverage because the Shiroyo Koibito cookie, with more than 7 billion yen (\$60 million) in sales annually, was one of the most popular souvenirs for tourists visiting Hokkaido. Furthermore, the Ishiya Co. is well known as the number one sponsor of the Sapporo-based professional soccer team Consadore Sapporo.

Concerned about Hokkaido's reputation, government officials scrambled to implement damage control. Public health inspectors are scouring Ishiya's manufacturing facilities. They are expected to announce several punitive measures against the company by the end of the month.

This marks the second food safety scandal for Hokkaido this summer following the revelations in June that the Meat Hope Co. had deliberately mislabeled meat products. (Sapporo: Ian

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Hillman/Yumi Baba)

13. (SBU) Japan-EU FTA on Horizon?  
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The Japan-EU Business Dialogue Roundtable will convene next month to lay the ground work for a Japan-EU FTA negotiation, according to a front page story in the August 29 Asahi Shimbun.

A contact at the European Commission office in Tokyo told us August 30 that the European and Japanese business communities have driven this process so far and there have been no government to government discussions as of yet.

Korea's aggressive FTA strategy has contributed to a renewed sense of urgency in Japan's business community to engage the Europeans in talks.

As the Scope has reported previously, an FTA with the United States is not as important a priority to Japan's business community because U.S. tariffs and other barriers are already very low.

In contrast, Japanese business leaders became very concerned when Korea set its sights on signing a free trade agreement with the EU.

Barriers to the European market are formidable and, if Korea signs a deal, Japanese business -- in contrast to the perception about a U.S.-Korea deal -- would be disadvantaged.

Echoing this sentiment, Trade Minister Amari told reporters this week that free trade agreements with the United States and European Union were "inevitable" for Japan, and noted that any deal that Korea works out with the EU would hurt Japanese exports.

Japan's Agriculture Ministry has viewed with suspicion negotiating a bilateral agreement with the European Union.

When asked, however, by reporters this week about the Business Dialogue Roundtable study group to be formed, new Agriculture Minister Endo said such a deal would have some positive effects in some sectors. He added that he would have to consider the merits of any deal in a broader context.

According to the Asahi story, the study group aims to have a proposal ready in time for the G-8 Summit in Hokkaido, when the EU and Japan can take it up in a bilateral. (ECON: Nicholas Hill)

14. (SBU) Beef on Back Burner

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Authorities at the Agriculture and Health Ministries have accepted USDA's offer to participate in joint unannounced audits of U.S. slaughter houses beginning September 17. This fulfills an earlier commitment by USDA and will have little bearing on Japan's current age restrictions on U.S. cattle.

Meanwhile, with new Agriculture Minister Endo arriving on the job this week, there has been very little movement on the beef issue.

When cornered on the subject during his inaugural press conference on August 27, Endo said he planned to defer to the experts on his staff.

Endo is from Yonezawa in Yamagata Prefecture, famous for its Japanese-style wagyu beef. As Vice Agriculture Minister in 2001, Endo took the lead in introducing blanket testing of beef.

Although a scientifically ineffective measure for identifying the existence of BSE-causing prions, blanket testing was an enormously effective measure politically in deflecting public criticism from authorities for their mishandling of Japan's domestic BSE problem. (ECON: Nicholas Hill)

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CARS  
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15. (U) Nissan Kyushu Expects to Return to 400,000-Car Production in JFY2007

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On August 22, Nissan Motor's Kyushu Plant (Fukuoka), the firm's largest and most advanced domestic production base, held a "line-off" ceremony for its second-generation X-Trail sport utility vehicle (SUV) -- the plant's first new model in three years. At the press conference, Plant Manager Kenzo Kawase announced plans to introduce three other new models in 2007, including the "Rogue" SUV geared for the North American market. Kawase



projected that as new models come on line, production should rise to over 400,000 units in the fiscal year compared to 350,000 units in 2006, rebounding after three consecutive years of decline.

In the spring of 2009, Nissan Shatai Kyushu, a group company of Nissan Motor, will begin operations at its new production facility located inside the Nissan Kyushu Plant site and take over the assembly of models from other Nissan plants in Kanagawa Prefecture and Canton, Mississippi.

The total production capacity at the Kyushu plant is expected to increase to 650,000 units per annum from the current 530,000 units a year. With Daihatsu's second plant due to be operational late this year, Kyushu's car manufacturing capacity by Nissan, Toyota, and Daihatsu combined will reach 1.54 million by 2009. (Fukuoka: Yuko Nagatomo/Jim Crow)

16. (U) Japan's First Privatized H-IIA Launch Vehicle Set for Launch  
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On April 1, 2007, the Government of Japan awarded a contract to Mitsubishi Heavy Industries (MHI) for full development and launch of Japan's H-IIA space launch vehicle system.

Previously, the Japan Aerospace Exploration Agency (JAXA) had been responsible for H-IIA program management, including research and development, launch operations, and management of the MHI development contract. JAXA is now responsible for basic launch vehicle research and development, including development of the H-IIB series, as well as reliability improvement and safety monitoring of the H-IIA system.

The intent of this privatization effort is to reduce launch costs and increase H-IIA launch service competitiveness on the international market. The current H-IIA launch cost is about 10-12 billion yen (\$88-105 million USD).

In recent press coverage, JAXA stated that H-IIA development has reached a stage of maturity where it can be transferred to the private sector.

MHI has not publicly released its target cost reductions but press reports indicate costs should be reduced to approximately 8 billion yen (\$69 million USD) to be internationally competitive. The first MHI-managed H-IIA launch (H-IIA F13) is scheduled to launch JAXA's Kaguya (SELENE) lunar satellite mission from Tanegashima Space Center on September 13. For the first time, the MHI logo will appear above the JAXA logo on the H-IIA vehicle. (NASA: Justin Tilman/Sumiko Mito)

17. (SBU) NTSB Chairman Visits Tokyo  
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National Traffic Safety Board (NTSB) Chairman Mark Rosenker had informative courtesy calls with his counterparts in the Ministry of Land, Infrastructure and Transport's (MLIT) Aircraft and Railway Accidents Investigation Commission (ARAIC) and Japan Marine Accident Inquiry Agency (JMAIA) as well as MLIT Transportation Affairs Vice Minister Ken Haruta on August 24.

Both sides took away some useful perspectives on how their respective organizations approach accident investigations. Rosenker had an extensive impromptu discussion on aviation safety matters with ARAIC sparked by a video viewing of the China Airlines fire in Naha, Okinawa, and NTSB's well-respected programs on outreach to the families' of accident victims, which was particularly interesting to the ARAIC.

JMAIA thanked the chairman for help on the U.S.-sub-Japanese tanker collision. ARAIC has 54 people and JMAIA 227 though there are plans to merge the two organizations. VM Haruta expressed

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his appreciation for the NTSB's help on accident investigations

and hosting Japanese accident investigators for training at NTSB's academy. In all three meetings, there were strong expressions for continued close cooperation.

Rosenker had planned to be in Japan a week and visit Toyota, Honda and Nissan's R&D facilities to learn about the cutting edge automotive active safety measures being developed here, before going onto a conference in Singapore.

Rosenker's visit was cut short after the President asked for a briefing in Minneapolis on the bridge accident in mid-week, but Rosenker plans to return to Japan next year to look into the auto safety technologies. (ECON: Josh Handler)

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SECURITY UPDATES  
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118. (U) U.S.-Japan Bilateral Talks on Cyber-Security  
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With the number and sophistication of internet malware attacks increasing dramatically, with the global cyber-crime industry now valued at \$100 billion annually, surpassing the drug trade, US and Japanese officials and experts met on 28-29 August for two days of bilateral talks on cyber-security.

These talks were the third such US-Japan bilateral meeting on the subject, but the first time the two sides have met since 2005. Both sides brought multi-agency and joint public-private sector delegations, and engaged in two days of intensive information exchange.

Each side described its governance structures and procedures for cyber-security, including policy and planning, operational responses, and coordination with the private sector and other partners. They shared assessments of current threats and vulnerabilities, and discussed information security trends and technology. They examined the cyber-attack against Estonia earlier this year. (ECON: Scott Smith/Kaoru Nakata)

119. (SBU) Japan Customs Focuses on Illicit Guns and Drugs  
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Highly public fatal shootings including the Nagasaki Mayor Itcho Ito in April and a riot police officer in Aichi Prefecture in May have put new pressure on Japanese Customs officials.

In a meeting at the Ministry of Finance on Aug. 28, officials explained that Japan's security concerns differ from the US focus on international terrorism. Local political pressure has required customs officials and leadership at customs to put more emphasis on gun control.

Despite the fact that in the past five years, Japanese customs have confiscated an average of less than 10 weapons a year, the public and the politicians are demanding renewed efforts to keep guns out of Japan.

Earlier this month law enforcement officials arrested four Chinese attempted to smuggle drugs into Osaka. Officials explained that the predominately Chinese trade in amphetamines and synthetic drugs dominates their efforts. (ECON: Charlie Crouch)

120. (SBU) Japanese Immigrations to Implement Fingerprint Scanning on Nov. 20  
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Members of the American Chamber of Commerce in Japan Transportation Committee met with Immigrations officials in Japan to learn about the fingerprinting requirements which will take effect November 20. According to ACCJ members, Japanese Immigration changed its earlier indication that the law would allow crew members and re-entry permit holders to move through smoothly. All crew members will be fingerprinted and all re-entry permit holders will be required to cue with all foreigners. "To protect Japan from terrorists," Immigrations officials said,



all fingerprints will be compared against a database of known terrorists. Officials said they do not intend to employ any additional personnel. They have a self-ascribed goal that no

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customer should wait more than 20 minutes to process through immigrations.

However, ACCJ members said that recently the wait had been as long as 50 minutes. (ECON: Charlie Crouch)

¶21. (SBU) Japan Works on Pilot Program for Radiological Screening at Yokohama  
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Ministry of Foreign Affairs official told us that they asked the GOJ to modify the budget for next fiscal year to include funding for the purchase of radiological screening equipment. Japan would like to participate in the U.S. proposed screening for radioactive materials. On August 3, President Bush signed into law the 9/11 Bill (H.R. 1) requiring that 100 percent of all inbound U.S. containers be scanned for radioactive content no later than July 1, 2012.

In addition to buying radiological equipment, the MOFA official said Japan is also concerned about the construction, preparations and planning required before the equipment can be installed. Some members of the exporting community have voiced concern to Japanese ministries about the viability of screening 100 percent of shipped goods without considerable reduction in the movement of the supply chain.

A major ocean-going cargo shipping firm's chief executive for North East Asia said as private citizen, I'm glad. He said it will be difficult and will take time to determine exactly how the port scanning program will work. He pointed out that the US clearly wouldn't stop its own inbound trade. In the post 9/11 world, he views the program as a necessity. (ECON: Charlie Crouch)

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JAPAN'S FOREIGN RELATIONS  
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¶22. (SBU) Update on Western Japan-Korea Ties  
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Last year the number of South Korean passengers outnumbered Japanese ones on the high-speed ferry between Busan and Hakata Port in Fukuoka, making Fukuoka Japan's gateway to Asia according to a recent Nikkei article. Some 240,000 people enter Japan through Fukuoka port each year, making it the busiest harbor in Japan.

South Korean visitors are having an economic impact, filling hotel rooms, freely spending at local department stores and using Fukuoka as a base to visit other tourist destinations in Kyushu. Fukuoka is also trying to deepen ties with Asian companies. At a Tokyo conference in late June on Japan-Korea relations, former governor of Tottori Prefecture Yoshihiro Katayama spoke movingly of his efforts during his tenure to encourage people-to-people exchanges between Tottori and South Korea and partner with regional Korean governments and legislatures.

He noted Japanese people were unaware that the two countries enjoyed good relations for some 200 years from the 1600s to 1800s during which 12 Korean royal missions visited Japan to solidify ties. He felt this history could be a helpful guide to the future of the relationship.

Kazuyuki Matsubara, President of Taishuu Shipping Company on Tsushima Island and Chair of "Enchiren," an organization of

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Japanese towns with historical ties to royal missions from Korea, enthusiastically outlined the island's historical role as a

bridge between Korea and Japan and its role in supporting these missions.

When Korean President Roh Tae Woo visited Japan in 1990, Matsubara said, he talked about Amenomori Hoshu, an 18th century scholar and advisor to the lords of Tsushima, who helped further Korean-Japan relations in his speech to the Diet. This renewed interest in Tsushima about the island's unique position in supporting the Korean missions. This year is the 400th anniversary of the first mission, and Matsubara said his group was working actively with other cities on the missions' route through western Japan to Tokyo to arrange commemorative celebrations. (ECON: Josh Handler)

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123. (U) Japan - India Model Coal Plant Progressing  
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Japan and India continue to make good progress toward the joint development of a model power plant using clean coal technologies and expect to begin construction next year, a Trade Ministry (METI) official told us.

India's coal contains 40 to 50 percent ash content causing excessive pollution. The model plant, which will cost about \$13 million, will use technology to extract much of this ash content to reduce polluting emissions.

The relatively low cost of the project is due to the fact that it is meant to be a model only and will have little commercial use. The two governments have not yet determined where the plant will be located, but it will likely be in the eastern part of India. According to METI, the model coal plant is one of twenty the GOJ has developed around the world, including 15 plants in China.

Unlike the Indian plant, however, the Chinese plants were 100 percent financed by the GOJ through its "Green Aid Plan." Going forward, Japan intends to require that the Chinese government finance 50 percent of all future projects.

While seeing the necessity in helping China reduce its carbon emissions through encouraging the use of clean coal technology, the METI official lamented the fact that the Japanese-provided technologies tended to be "absorbed" by the Chinese and therefore provided limited ongoing business opportunities for Japanese companies. (ECON: Sally Behrhorst/Eriko Marks)

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SPORTS  
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124. (U) Tokyo Heat Strains Electricity Grid but Nothing More Important than High School Baseball  
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August in Japan this year has been unusually hot and humid with an attendant spike in demand for electric power. Late August in Japan also means the annual National High School Baseball tournament, probably the most revered sporting event in the country.

This year, the tournament's final was set for August 22 and featured underdog Saga Kita High School of Saga Prefecture, a rare public school contender making its first appearance at the fabled grounds of Kansai's Koshien Stadium, against long-time powerhouse Koryo High of Hiroshima.

As the day of the big game dawned, Tokyo Electric Power Co. executives were already on edge. The summer's long heat wave was straining the utility's power grid that was already under pressure since a July 16 earthquake shut down the Kashiwazaki-Kariwa nuclear power plant. (See JES Volume 3 Issue #29 -- July 26, 2007).

By 7 a.m. temperatures in downtown Tokyo were already above 85

degrees. Power demand was starting to surge. By 11:30 a.m., total demand on TEPCO's system surpassed 60 million kilowatts and the utility was down to its last 1.6 percent of supply capacity. Executive Vice President Takashi Fujimoto decided to take emergency measures, asking 23 major industrial to cut back consumption between 1 p.m. and 5 p.m. in accordance with their supply contracts, and reactivating the Shiobara hydroelectric power plant in Tochigi Prefecture.

Shortly before noon, TEPCO briefed the Ministry of Economy, Trade and Industry on the situation and the ministry held an urgent press conference asking people to cut back on power use. In buildings across the country, lights were turned off and air conditioner settings raised to 85 degrees.

The Saga-Koryo game began at 1 p.m. and shortly after 2 p.m. total electricity demand spiked at 61.47 kilowatts. But once the game ended just after 3 p.m., total demand fell sharply and failed to reach hit TEPCO's revised forecast of 61.5 million kilowatts. A crisis averted, TEPCO top brass breathed an audible sigh of relief.

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And at Koshien? Well, Saga Kita, on the back of a five-run eighth inning including a grand-slam home run, came from behind to beat Koryo, 5-4. (ECON: David DiGiovanna)

125. (U) This SENSITIVE BUT UNCLASSIFIED e-newsletter from U.S. Embassy Tokyo's Economic Section, with contributions from the consulates, is for internal USG use only. Please do not forward in whole or in part outside of the government. The Scope is edited this week by Charlie Crouch (CrouchCA@state.gov) and Joy Progar (ProgarJ@state.gov).

126. (U) Please visit the Tokyo Econ Intranet webpage for back issues of the Scope. Apologies, this option is only available to State users. Please contact Joy Progar if you are from a different agency and are interested in a back issue.  
DONOVAN